

State of Alaska FY2008 Governor's Operating Budget

Department of Administration Labor Relations Component Budget Summary

Component: Labor Relations

Contribution to Department's Mission

To achieve the purposes of the Public Employment Relations Act by acting as the executive branch representative in contract negotiations and contract administration matters.

Core Services

CONTRACT NEGOTIATION – Labor Relations staff coordinates negotiations for the state's 11 bargaining unit contracts and subsequent amendments to the contracts. Staff act as chief spokespersons for the state's bargaining teams and handle all associated logistics. The section is responsible for issuing contract interpretive memoranda as needed.

CONTRACT ADMINISTRATION – Labor Relations staff investigates complaints and grievances that reach the Commissioner of Administration level and represents the State's interests in resolution or adjudication of these disputes. The Division is responsible for interpreting and applying labor agreements and insuring consistency of application throughout State government.

TRAINING – Labor Relations staff provides training on all new contracts; facilitate training for human resource staff on employment law and on the arbitration process, and dispute/complaint handling training for state supervisors.

ADVICE AND COUNSEL – Staff provide expert advice and counsel to supervisors, managers and policy makers on employee relations issues.

Customers

Internal: Department executives, managers, supervisors and human resource personnel

External: All other state agencies

End Results	Strategies to Achieve Results
A: Successful negotiations in all collective bargaining unit agreements. <u>Target #1:</u> Voluntary or arbitrated labor contracts prior to contract expiration. <u>Measure #1:</u> % of voluntary or arbitrated labor contracts prior to expiration.	A1: Complete collective bargaining in accordance with Public Employees Relations Act. <u>Target #1:</u> 100% of contracts completed in accordance with Public Employees Relations Act. <u>Measure #1:</u> % of time Public Employment Relations Act requirements are met. A2: Resolve disputes in accordance with State's interests. <u>Target #1:</u> 100% of disputes arising from collective bargaining resolved in accordance with management objectives and relevant external law. <u>Measure #1:</u> % of disputes resolved in management's favor prior to formal adjudication.
End Results	Strategies to Achieve Results
B: Assure effective and orderly operations of government through effective contract	B1: Advance State's interests in unresolved disputes at arbitration.

administration.

Target #1: 100% of dispute resolutions are resolved in the State's best interests.

Measure #1: % of dispute resolutions that are resolved in the State's best interests.

Target #1: 70% of arbitration decisions support State's interests.

Measure #1: % of arbitration decisions that support State's interests.

B2: Advance State's interests in unresolved disputes before Alaska Labor Relations Agency.

Target #1: 90% of Alaska Labor Relations Agency decisions support State's interests.

Measure #1: % of Alaska Labor Relations Agency decisions that support State's interests. (Note: Measures are calculated based on cases actually heard and decided in the subject period.)

FY2008 Resources Allocated to Achieve Results

FY2008 Component Budget: \$1,492,700

Personnel:

Full time	11
Part time	0
Total	11

Performance Measure Detail

A: Result - Successful negotiations in all collective bargaining unit agreements.

Target #1: Voluntary or arbitrated labor contracts prior to contract expiration.

Measure #1: % of voluntary or arbitrated labor contracts prior to expiration.

% of voluntary or arbitrated labor contract prior to expiration.

Fiscal Year	semi-annual	semi-annual
FY 2004	*91.6%	27.3%
FY 2005	68.3%	91.0%
FY 2006	91.0%	91.0%

*FY 2004: 1st & 2nd quarter only, data is provided on a semi-annual basis.

FY 2004: 3rd & 4th quarter only, data shown is averaged for the semi-annual period.

FY 2005: Data shown is averaged for the semi-annual period.

FY 2006: Data is provided on a semi-annual basis.

Analysis of results and challenges: By the end of March 2004 the State had successfully negotiated a collective bargaining agreement with the Labor Trades and Craft union giving us 9.09% toward meeting our target. Prior to the end of June 2004 the State was successful in obtaining agreements with five (5) of the eleven (11) unions moving us to 45.5% of our targeted goal. By the end of the third quarter of 2004 we had met 72.7% of our targeted goal by having eight (8) of the eleven (11) unions under contract without any labor disputes.

Collective Bargaining Agreements generally come up for negotiations every 3 years; we have some exceptions which are two (2) year agreements.

A1: Strategy - Complete collective bargaining in accordance with Public Employees Relations Act.

Target #1: 100% of contracts completed in accordance with Public Employees Relations Act.

Measure #1: % of time Public Employment Relations Act requirements are met.

% of time Public Employment Relations Act requirements are met.

Fiscal Year	semi-annual	semi-annual
FY 2004	**91.6%	27.3%
FY 2005	68.4%	91.0%
FY 2006	100.0%	100.0%

**FY 2004: 1st & 2nd quarter, data is provided on a semi-annual basis.

FY 2004: 3rd & 4th quarter, data shown is averaged for the semi-annual period.

FY 2005: Data shown is averaged for the semi-annual period.

FY 2006: Data is provided on a semi-annual basis.

Analysis of results and challenges: .

07/01/03–12/31/03: 91.6% of requirements have been met.

01/01/04–03/31/04: 9.09% of requirements have been met.

04/01/04–06/30/04: 45.5% of requirements have been met.

07/01/04–09/30/04: 72.7% of requirements have been met.

10/01/04–12/31/04: 64.0% of requirements have been met.

01/01/05–03/31/05: 91.0% of requirements have been met.

04/01/05–06/30/05: 91.0% of requirements have been met.

07/01/05–12/31/05: 100.0% of requirements have been met.

01/01/06–06/30/06: 100.0% of requirements have been met.

A2: Strategy - Resolve disputes in accordance with State's interests.

Target #1: 100% of disputes arising from collective bargaining resolved in accordance with management objectives and relevant external law.

Measure #1: % of disputes resolved in management's favor prior to formal adjudication.

% of disputes resolved in management's favor prior to formal adjudication.

Fiscal Year	semi-annual	semi-annual
FY 2004	*96.0%	98.2%
FY 2005	85.7%	94.5%
FY 2006	94.5%	95.0%

*FY 2004: Data combined within FY 2004, quarter 2.

FY 2004: 3rd & 4th quarter, data shown is averaged for the semi-annual period.

FY 2005: Data shown is averaged for the semi-annual periods.

FY 2006: Data is provided on a semi-annual basis.

B: Result - Assure effective and orderly operations of government through effective contract administration.

Target #1: 100% of dispute resolutions are resolved in the State's best interests.

Measure #1: % of dispute resolutions that are resolved in the State's best interests.

% of resolved dispute resolutions that secure State's interest.

Fiscal	semi-annual	semi-annual
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Year		
FY 2004	*96.0%	98.2%
FY 2005	100.0%	87.5%
FY 2006	94%	72.5%

*FY 2004: Data combined within FY 2004, quarter 2.

FY 2004: 3rd & 4th quarter, data shown is averaged for the semi-annual period.

FY 2005: Data shown is averaged for the semi-annual periods.

FY 2006: Data is provided on a semi-annual basis.

Analysis of results and challenges: Prior to arbitration a risk assessment is conducted and a determination is made whether it is in the States best interest to resolve the case and not proceed to hearing. Resolution is reached with a Letter of Grievance Resolution (LGR). In a risk assessment consideration is always given to establishing a future precedent for the State and any potential financial impact. On occasion a case will be resolved because of internal inaccuracies or inability to produce appropriate witnesses.

B1: Strategy - Advance State's interests in unresolved disputes at arbitration.

Target #1: 70% of arbitration decisions support State's interests.

Measure #1: % of arbitration decisions that support State's interests.

% of arbitration decisions that support State's interest.

Fiscal Year	semi-annual	semi-annual
FY 2004	*62.5%	66.7%
FY 2005	40.0%	79.5%
FY 2006	80.5%	100.0%

*FY 2004: Data combined within FY 2004, quarter 2.

FY 2004: 3rd & 4th quarter, data shown is averaged for the semi-annual period.

FY 2005: Data shown is averaged for the semi-annual periods.

FY 2006: Data is provided on a semi-annual basis.

B2: Strategy - Advance State's interests in unresolved disputes before Alaska Labor Relations Agency.

Target #1: 90% of Alaska Labor Relations Agency decisions support State's interests.

Measure #1: % of Alaska Labor Relations Agency decisions that support State's interests. (Note: Measures are calculated based on cases actually heard and decided in the subject period.)

% of Alaska Labor Relations decisions that support State's interests.

Fiscal Year	semi-annual	semi-annual
FY 2004	*91.6%	100.0%
FY 2005	75.0%	100.0%
FY 2006	100%	100%

*FY 2004: Data combined within FY 2004, quarter 2.

FY 2004: 3rd & 4th quarter, data shown is averaged for the semi-annual period.

FY 2005: Data shown is averaged for the semi-annual periods.

FY 2006: Data is provided on a semi-annual basis.

Key Component Challenges

LABOR CONTRACT NEGOTIATIONS – Achieve the Governor's objective of long term successor agreements that meet the economic and managerial objectives for remaining units

- Initiate negotiation of successor Labor, Trades & Craft (LTC) agreement in time for submission to the 2007 Alaska State Legislature.
- Initiate negotiation of successor Alaska State Employee's Association (ASEA), Alaska Public Employee's Association (APEA), Confidential Employee's Association (CEA), Masters, Mates & Pilots (MMP), Marine Engineer's Beneficial Association (MEBA), and Inlandboatmen's Union (IBU) agreement in time for submission to the 2007 Alaska State Legislature.

Significant Changes in Results to be Delivered in FY2008

Seek further efficiencies in delivery of labor relations services to all state agencies.

Major Component Accomplishments in 2006

- Implemented and administered successor agreements.
- Completed negotiations of successor Correctional Officers Agreement.
- Arbitration Record: Nine wins, six losses and eleven cases settled. Five cases still pending decision from arbitrator and seven more cases will be presented prior to the end of the year.
- Assisted the effort to reach a day-boat agreement for the M/V LeConte

Statutory and Regulatory Authority

AS 23.40.070-250 Public Employment Relations Act
AS 39.25 et seq. State Personnel Act

Contact Information

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Labor Relations Component Financial Summary

All dollars shown in thousands

	FY2006 Actuals	FY2007 Management Plan	FY2008 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	755.0	984.5	1,124.3
72000 Travel	61.8	34.5	34.5
73000 Services	154.2	309.6	313.2
74000 Commodities	28.3	20.7	20.7
75000 Capital Outlay	0.0	0.0	0.0
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	999.3	1,349.3	1,492.7
Funding Sources:			
1004 General Fund Receipts	926.4	1,229.8	1,372.9
1061 Capital Improvement Project Receipts	72.9	119.5	119.8
Funding Totals	999.3	1,349.3	1,492.7

Estimated Revenue Collections

Description	Master Revenue Account	FY2006 Actuals	FY2007 Manageme nt Plan	FY2008 Governor
<u>Unrestricted Revenues</u>				
None.		0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0
<u>Restricted Revenues</u>				
Capital Improvement Project Receipts	51200	72.9	119.5	119.8
Restricted Total		72.9	119.5	119.8
Total Estimated Revenues		72.9	119.5	119.8

**Summary of Component Budget Changes
From FY2007 Management Plan to FY2008 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2007 Management Plan	1,229.8	0.0	119.5	1,349.3
Adjustments which will continue current level of service:				
-FY 08 Health Insurance Increases for Exempt Employees	0.2	0.0	0.0	0.2
Proposed budget increases:				
-FY 08 Internal Dept Cost Increase due to Retirement Systems Rate Increases	3.3	0.0	0.3	3.6
-FY 08 Retirement Systems Rate Increases	139.6	0.0	0.0	139.6
FY2008 Governor	1,372.9	0.0	119.8	1,492.7

**Labor Relations
Personal Services Information**

Authorized Positions			Personal Services Costs	
	<u>FY2007</u> <u>Management</u> <u>Plan</u>	<u>FY2008</u> <u>Governor</u>		
Full-time	11	11	Annual Salaries	655,021
Part-time	0	0	Premium Pay	0
Nonpermanent	0	0	Annual Benefits	481,506
			<i>Less 1.08% Vacancy Factor</i>	(12,227)
			Lump Sum Premium Pay	0
Totals	11	11	Total Personal Services	1,124,300

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Clerk III	0	0	1	0	1
Division Director	0	0	1	0	1
Human Resource Specialist II	0	0	1	0	1
Human Resource Technician I	0	0	1	0	1
Labor Relations Analyst II	0	0	3	0	3
Labor Relations Analyst III	0	0	3	0	3
Labor Relations Analyst IV	0	0	1	0	1
Totals	0	0	11	0	11